

1-1 By: Harris S.B. No. 234
1-2 (In the Senate - Filed January 12, 2007; January 30, 2007,
1-3 read first time and referred to Committee on Education;
1-4 February 7, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0;
1-6 February 7, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 234 By: Zaffirini

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the reporting of income-producing contracts entered
1-11 into by school districts.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter A, Chapter 44, Education Code, is
1-14 amended by adding Section 44.012 to read as follows:

1-15 Sec. 44.012. REPORT OF INCOME-PRODUCING CONTRACTS. (a) In
1-16 this section, "income-producing contract" means a contract under
1-17 which a school district is entitled to or expects to receive income,
1-18 including rentals, royalties, or a percentage of sales revenue.

1-19 (b) As provided by this section, a school district shall:

1-20 (1) publish a report of income-producing contracts in
1-21 a newspaper of general circulation in:

1-22 (A) a county in which the district is located; or

1-23 (B) the county seat of a county adjacent to a
1-24 county in which the district is located, if a newspaper of general
1-25 circulation is not published in a county in which the district is
1-26 located; or

1-27 (2) post a report of income-producing contracts on the
1-28 district's Internet website.

1-29 (c) Except as provided by Subsection (d), for each
1-30 income-producing contract a school district enters into or under
1-31 which the district receives income during the reporting period
1-32 covered by the publication or posting, the district's report must
1-33 include:

1-34 (1) the full name and address of each party to the
1-35 contract other than the district;

1-36 (2) a description of the type of contract involved;

1-37 (3) the date the contract was entered into;

1-38 (4) the duration of the contract;

1-39 (5) a statement of the amount of income the district
1-40 expects to receive under the contract over the term of the contract;
1-41 and

1-42 (6) a statement of the amount of income the district
1-43 received under the contract during the reporting period.

1-44 (d) A school district is not required to report under this
1-45 section:

1-46 (1) a contract from which the district expects to
1-47 receive income of \$2,500 or less over the term of the contract; or

1-48 (2) a contract between the district and another school
1-49 district or other governmental entity.

1-50 (e) A school district shall publish or shall post on the
1-51 district's Internet website a report of income-producing contracts
1-52 two times each year. For a district whose fiscal year begins July
1-53 1, the first report shall be published or posted not later than
1-54 August 15 and cover the period from the preceding January 1 through
1-55 June 30, and the second report shall be published or posted not
1-56 later than February 15 and cover the period from the preceding July
1-57 1 through December 31. For a district whose fiscal year begins
1-58 September 1, the first report shall be published or posted not later
1-59 than October 15 and cover the period from the preceding March 1
1-60 through August 31, and the second report shall be published or
1-61 posted not later than April 15 and cover the period from the
1-62 preceding September 1 through the last day of February.

1-63 (f) Beginning on the second anniversary of the last date a

2-1 school district receives income under an income-producing
2-2 contract, if the district does not expect to receive additional
2-3 income under the contract, the district may remove information
2-4 relating to the contract from the district's Internet website.

2-5 SECTION 2. A school district's first report of
2-6 income-producing contracts under Section 44.012, Education Code,
2-7 as added by this Act, must be published or must be posted on the
2-8 district's Internet website not later than October 15, 2007, or
2-9 February 15, 2008, depending on the date the district's fiscal year
2-10 begins.

2-11 SECTION 3. This Act takes effect immediately if it receives
2-12 a vote of two-thirds of all the members elected to each house, as
2-13 provided by Section 39, Article III, Texas Constitution. If this
2-14 Act does not receive the vote necessary for immediate effect, this
2-15 Act takes effect September 1, 2007.

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